

US EPA Environmental Financial Advisory Board
Affordability Workshop

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Low Income Consumer Perspective
on Affordability

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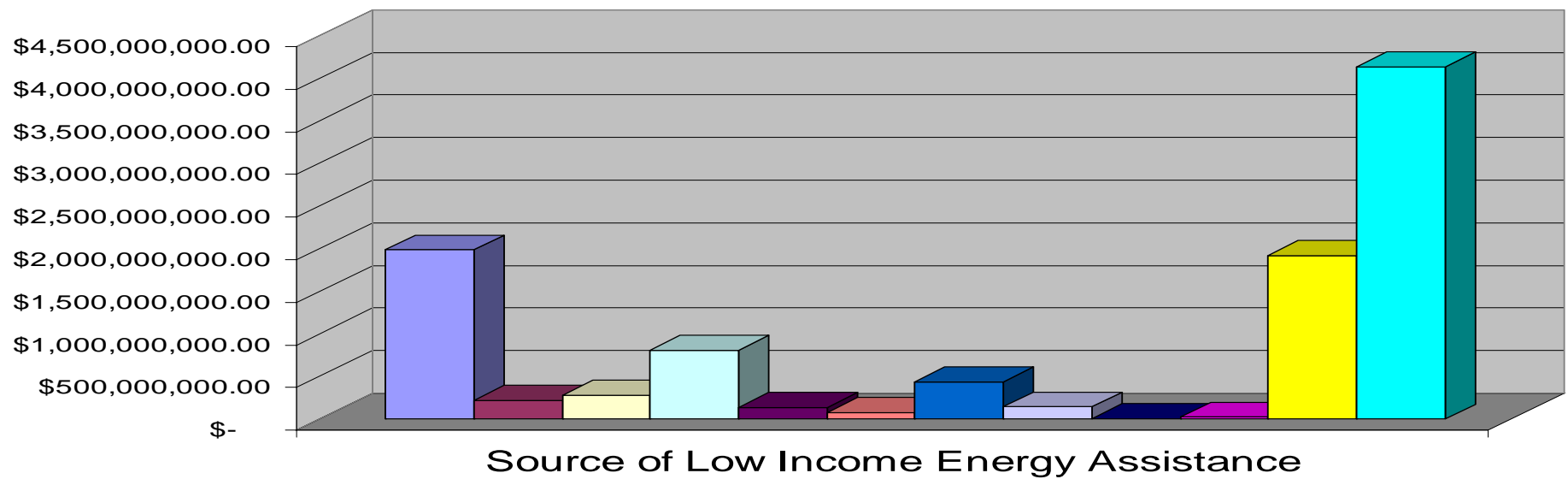
Range of Programs to Address Energy Bills

- Crisis funds (e.g., shut off or broken heater)
- Ongoing Assistance
 - Via bills: bill assistance, discounted rates, percentage of income payment programs (PIPPS), arrearage management
 - Via conservation: weatherize homes, energy conservation education and efficient appliances

Range of Entities

- Federal Government
- State and Local Government
- Utilities
- Charitable Giving Organizations

Funding Sources for Energy Programs



Purpose of LIHEAP

LIHEAP is a very targeted block grant program to assist:

- Low-income households
- “Primarily in meeting their immediate home energy needs.”
- “Home energy” is defined as “a source of heating or cooling in residential dwellings.”

(42 U.S.C. sections 8621(a) and 8622(6))

How LIHEAP Assistance Is Targeted

States are to provide the highest level of assistance to those low-income households

- with the lowest incomes and highest energy costs (highest energy burdens), and
- with vulnerable members: households with very young children, individuals with disabilities and seniors (highest home energy needs).

(42 U.S.C. sections 8621(a), 8622(4) and 8624(b)(5))

Eligibility Criteria

- 2 Basic Models:
- Income Eligibility (e.g., a percentage of poverty)
- Program Eligibility (e.g., enrollment in another program such as SSI or food stamps)

Federal Telecommunications Universal Services

Some Universal Service Principles in the Telecommunications Act of 1996

- Quality services should be available at just, reasonable, and affordable rates.
- Consumers in all regions of the Nation, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services . . . that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.
- All providers of telecommunications services should make an equitable and nondiscriminatory contribution to the preservation and advancement of universal service.

47 USC sec. 254(b)

Federal Default Telephone Life Eligibility Criteria

- Income eligibility -- new
 - (135% of poverty)
- Program Eligibility
 - Medicaid
 - Food Stamps
 - Supplemental Security Income
 - Federal Public Housing Assistance
 - Low Income Home Energy Assistance Program
 - Temporary Assistance for Needy Families (TANF) – new
 - National School Free Lunch Program - new

LIHEAP Eligibility Criteria

- Income eligibility:
 - Up to 150% of poverty or 60% of state median income,
but state may not set lower than 110% of poverty
- Program eligibility:
 - Temporary Assistance to Needy Families (TANF)
 - Supplemental Security Income
 - Food Stamps
 - Certain needs-tested Veteran Benefits

How the Telephone Lifeline/Link-Up Program is Administered

- Federal Universal Service fee is collected from telecom carriers based on all interstate and international telecommunications revenues
- Fee is collected by Universal Service Administrative Company
- There are 4 federal USF programs and Lifeline is administered with High Cost USF program (Lifeline program only accounts for around 12% of USF)
- Carrier obtains Eligible Telecommunications Carrier status by state or fed agency

How the Telephone Lifeline/Link-Up Program is Administered cont.

- If state also has its own USF program, it can set its own eligibility criteria or use the federal default criteria
- States without own USF programs use the federal default eligibility criteria
- Carrier makes eligibility determination (self certification, automatic enrollment)
- Carrier provides discounted local phone rate and discounted connection
- Carrier is reimbursed through the USF fund collected by USAC

How LIHEAP is Administered

- Block grant to the 50 states, DC, Tribes and Insular areas
- LIHEAP statute provides states with flexibility in setting up their programs.
- Variation in how states run their program, but 2 basic models for payment assistance:
 - State grantee subcontracts with local community action agencies;
 - State grantee subcontracts with local county offices.
- The community action agencies or local county offices handle applications and delivery of assistance.

Considerations for a Water Assistance Program

- Automatic enrollment of households participating in other programs
- Role for community groups and agencies already administering other low-income programs
- Need for effective outreach efforts to enroll eligible households
- Source of funding: federal, state/local, utility, other.